

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MT. OLIVET)	CASE NO. 9918-I4
NATURAL GAS COMPANY, INC.)	

O R D E R

On August 10, 1987, in Case No. 9918, the Commission approved certain adjusted rates for Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On October 3, 1994, Mt. Olivet filed its GCA proposed to be effective from October 1, 1994 to January 1, 1995.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mt. Olivet's notice proposed revised rates designed to pass on its expected wholesale increase in gas costs to its customers. Mt. Olivet's proposed expected gas cost is \$3.7765 per Mcf.

2. Mt. Olivet has received no current refunds, therefore, its notice set out no current quarter refund adjustment. The total refund adjustment of 6.94 cents per Mcf reflects a previous quarter adjustment.

3. The notice set out a current quarter actual adjustment ("AA") of 27.70 cents per Mcf to reconcile gas cost from the 12

months ended June 1994. The total AA of (30.76) cents per Mcf reconciles the current undercollection as well as previous overcollections.

4. These adjustments produce a gas cost recovery rate of \$3.3995 per Mcf, 50.14 cents per Mcf more than the prior rate.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved. Pursuant to KRS 278.180, these rates are effective for gas supplied on and after November 2, 1994, to provide 30 days notice of the increase.

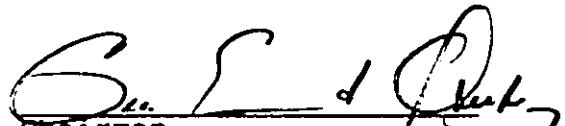
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for gas supplied on and after November 2, 1994.

2. Within 30 days of the date of this Order, Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

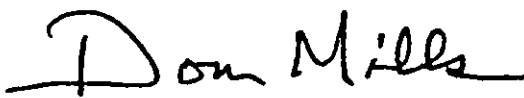
Done at Frankfort, Kentucky, this 1st day of November, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9918-14 DATED November 1, 1994

The following rates and charges are prescribed for the customers in the area served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less	\$2.98	\$3.3995	\$6.3795
Next 4,000 cu. ft. per 1,000 cu. ft.	1.2613	3.3995	4.6608
Next 5,000 cu. ft. per 1,000 cu. ft.	1.0613	3.3995	4.4608
Next 10,000 cu. ft. per 1,000 cu. ft.	0.9113	3.3995	4.3108
Over 20,000 cu. ft. per 1,000 cu. ft.	0.7113	3.3995	4.1108